

Key Information Memorandum for Equity Schemes

HSBC Equity Fund (HEF)

An open-ended diversified Equity Scheme

HSBC India Opportunities Fund (HIOF)

An open-ended flexi-cap Equity Scheme

HSBC Midcap Equity Fund (HMEF)

An open-ended diversified Equity Scheme

HSBC Advantage India Fund (HAIF)

An open-ended flexi-theme Equity Scheme

HSBC Dynamic Fund (HDF)

An open-ended Scheme

HSBC Tax Saver Equity Fund (HTSF)

An open-ended Equity Linked Savings Scheme (ELSS)

HSBC Emerging Markets Fund (HEMF)

An open-ended Scheme

Issue of Units at NAV based prices.

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the Scheme(s) / Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations, associate transactions etc. investors should, before investment, refer to the Offer Document(s) and Addenda thereto available free of cost at any of the Investor Service Centres or distributors or from the website of the AMC, www.assetmanagement.hsbc.com/in. The particulars of the Scheme(s) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and filed with Securities and Exchange Board of India (SEBI). The Units being offered for public subscription have not been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated 27 February, 2009.

Sponsor

HSBC Securities and Capital Markets
(India) Private Limited
Regd. Office: 52/60, Mahatma Gandhi Road,
Fort, Mumbai 400 001, India.

Trustee

Board of Trustees
Office: 314, D. N. Road, Fort,
Mumbai 400 001, India

Asset Management Company

HSBC Asset Management
(India) Private Limited
Corp. & Regd. Office: 314, D.N. Road,
Fort, Mumbai 400 001, India

Features	HSBC EQUITY FUND	HSBC INDIA OPPORTUNITIES FUND	HSBC ADVANTAGE INDIA FUND	HSBC MIDCAP EQUITY FUND																																																												
Investment Objective	To generate long-term capital growth from an actively managed portfolio of equity and equity related securities.	To seek long term capital growth through investments across all market capitalisations, including small, mid and large cap stocks. The fund aims to be predominantly invested in equity and equity related securities. However, it could move a significant portion of its assets towards fixed income securities if the fund manager becomes negative on equity markets.	To generate long term capital growth from an actively managed portfolio of equity and equity related securities by investing primarily in sectors, areas and themes that play an important role in, and / or benefit from, India's progress, reform process and economic development.	To generate long term capital growth from an actively managed portfolio of equity and equity related securities primarily being Mid cap stocks. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes negative on the Indian equity markets.																																																												
Date of Inception	10 December, 2002	24 February, 2004	23 February, 2006	19 May, 2005																																																												
Asset Allocation Pattern	Equities & Equity related securities : 65 - 100% Debt instruments & Money Market instruments : 0 - 35% (including Cash & Cash equivalents)	Equities & Equity related securities : 65 - 100% Debt instruments & Money Market instruments : 0 - 35% (including Cash & Cash equivalents)	Equities & Equity related securities : 65 - 100% Debt instruments & Money Market instruments : 0 - 35% (including Cash & Cash equivalents)	Equities & equity related securities of companies whose market capitalization is Rs. 75 crores or more but does not exceed the market capitalization of the largest constituent of the BSE Midcap Index at the point of investment on a full market capitalisation basis Other equities & equity related securities : 0 - 35% Debt and money market instruments (including cash and money at call) : 0 - 35%																																																												
Risk Profile	Mutual Fund investments are subject to market risks. Please read the Offer Document carefully for details on Risk Factors before investment.																																																															
Plan / Options	Dividend (Payout / Reinvestment) and Growth																																																															
Sub-Options	Dividend Payout and Dividend Reinvestment Option																																																															
Dividend Frequency	Declaration of dividend and its frequency will inter alia depend upon the distributable surplus. Dividend may be declared from time to time at the discretion of the Trustees.																																																															
Minimum Application Amount	Purchase : Rs. 10,000/- Additional Purchase : Rs. 1,000/- and multiples of Re. 1/- thereafter Redemption : Rs. 1,000/- and multiples of Re. 1/- thereafter																																																															
SIP	3rd, 10th, 17th or 26th of the month in Monthly / 10th of the relevant month in Quarterly																																																															
SEP	Monthly/Quarterly. NAV as on first Business Day of each month.																																																															
Mode of Holding	Single, Joint or Anyone or Survivor																																																															
Nomination Facility	Available to individuals for single / joint holding (Multiple nomination facility available to the maximum of three nominees for a folio. Please use the nomination form)																																																															
Load Structure (including SIP/STP where applicable)	Entry Load - For investment / switch in* < Rs 5 crores - 2.25%, otherwise Nil. Exit Load - 1% for < Rs 5 crores, if redeemed / switched out* within 1 year from date of investment, otherwise Nil. No entry load shall be charged for direct applications received by the Asset Management Company (AMC) i.e. applications received through internet, submitted to AMC or collection centre/ Investor Service Centre that are not routed through any distributor/agent/broker. Please refer "Load Structure" under Common Features of all Schemes.																																																															
Applicable NAV for ongoing Subscriptions and Redemptions (including switch ins / switch outs)	<ul style="list-style-type: none"> In respect of valid subscription (including switch ins) and redemption (including switch outs) requests received upto 3 p.m. by the Mutual Fund, the closing NAV of the day on which the request is received shall be applicable. In respect of valid subscription (including switch ins) and redemption (including switch outs) requests received after 3 p.m. by the Mutual Fund, the closing NAV of the next Business Day shall be applicable. Explanation: "Business Day" does not include a day on which the money markets are closed or otherwise not accessible. The Mutual Fund shall calculate NAV for each calendar day in respect of the above Scheme(s) / Plan(s).																																																															
Despatch of Redemption Request	Within 10 working days of the receipt of the redemption request at the Official Points of Acceptance of Transactions of the Registrar and the AMC. The Fund would endeavour to effect redemption payouts (net of applicable taxes) within 3 Business Days under normal circumstances.																																																															
Name of the Fund Manager	Jitendra Sriram & Nilang Mehta	Jitendra Sriram & Dhimant Shah	Jitendra Sriram & Nilang Mehta	Dhimant Shah & Jitendra Sriram																																																												
Benchmark Index	BSE 200	BSE 500	BSE 200	BSE Midcap Index																																																												
Performance of the Scheme*	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-42.14%</td> <td>-53.17%</td> </tr> <tr> <td>Last 3 years</td> <td>1.28%</td> <td>-6.62%</td> </tr> <tr> <td>Last 5 years</td> <td>16.04%</td> <td>7.65%</td> </tr> <tr> <td>Since Inception</td> <td>32.43%</td> <td>17.50%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-42.14%	-53.17%	Last 3 years	1.28%	-6.62%	Last 5 years	16.04%	7.65%	Since Inception	32.43%	17.50%	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-47.51%</td> <td>-54.80%</td> </tr> <tr> <td>Last 3 years</td> <td>-2.60%</td> <td>-7.60%</td> </tr> <tr> <td>Last 5 years</td> <td>13.45%</td> <td>7.53%</td> </tr> <tr> <td>Since Inception</td> <td>13.45%</td> <td>7.53%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-47.51%	-54.80%	Last 3 years	-2.60%	-7.60%	Last 5 years	13.45%	7.53%	Since Inception	13.45%	7.53%	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-52.68%</td> <td>-53.17%</td> </tr> <tr> <td>Last 3 years</td> <td>-8.12%</td> <td>-6.62%</td> </tr> <tr> <td>Last 5 years</td> <td>-6.97%</td> <td>-6.37%</td> </tr> <tr> <td>Since Inception</td> <td>-6.97%</td> <td>-6.37%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-52.68%	-53.17%	Last 3 years	-8.12%	-6.62%	Last 5 years	-6.97%	-6.37%	Since Inception	-6.97%	-6.37%	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-60.95%</td> <td>-64.27%</td> </tr> <tr> <td>Last 3 years</td> <td>-16.36%</td> <td>-16.85%</td> </tr> <tr> <td>Last 5 years</td> <td>-1.15%</td> <td>-4.22%</td> </tr> <tr> <td>Since Inception</td> <td>-1.15%</td> <td>-4.22%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-60.95%	-64.27%	Last 3 years	-16.36%	-16.85%	Last 5 years	-1.15%	-4.22%	Since Inception	-1.15%	-4.22%
	Scheme Returns	Benchmark Returns																																																														
Last 1 year	-42.14%	-53.17%																																																														
Last 3 years	1.28%	-6.62%																																																														
Last 5 years	16.04%	7.65%																																																														
Since Inception	32.43%	17.50%																																																														
	Scheme Returns	Benchmark Returns																																																														
Last 1 year	-47.51%	-54.80%																																																														
Last 3 years	-2.60%	-7.60%																																																														
Last 5 years	13.45%	7.53%																																																														
Since Inception	13.45%	7.53%																																																														
	Scheme Returns	Benchmark Returns																																																														
Last 1 year	-52.68%	-53.17%																																																														
Last 3 years	-8.12%	-6.62%																																																														
Last 5 years	-6.97%	-6.37%																																																														
Since Inception	-6.97%	-6.37%																																																														
	Scheme Returns	Benchmark Returns																																																														
Last 1 year	-60.95%	-64.27%																																																														
Last 3 years	-16.36%	-16.85%																																																														
Last 5 years	-1.15%	-4.22%																																																														
Since Inception	-1.15%	-4.22%																																																														
Compounded Annualised Returns ^ (As on 27 February, 2009)																																																																
Recurring Expenses	Actual Expenses for the previous financial year ended March 31, 2008																																																															
Total Expenses	227,515,817.90	149,970,684.40	193,776,187.70	71,738,730.15																																																												
% to Net Assets	2.02	2.18	2.05	2.32																																																												
	• First Rs. 100 crores : 2.50 • Next Rs. 300 crores : 2.25 • Next Rs. 300 crores : 2.00 • Balance : 1.75																																																															

Features	HSBC DYNAMIC FUND	HSBC EMERGING MARKETS FUND	HSBC TAX SAVER EQUITY FUND
Investment Objective	To provide long term capital appreciation by allocating funds in equity and equity related instruments. It also has the flexibility to move, entirely if required, into debt instruments in times that the view on equity markets seems negative.	To provide long term capital appreciation by investing in India and in the emerging markets, in equity and equity related instruments, share classes and units/securities issued by overseas mutual funds or unit trusts. The fund may also invest a limited proportion in debt and money market instruments.	To provide long term capital appreciation by investing in a diversified portfolio of equity & equity related instruments of companies across various sectors and industries, with no capitalization bias. The Fund may also invest in fixed income securities.
Date of Inception	24 September, 2007	17 March, 2008	5 January, 2007
Asset Allocation Pattern	Equities and equity related instruments : 0 to 100% Debt and Money Market instruments : 0 to 100%	Units / securities issued by overseas mutual funds or unit trusts of emerging markets* : 80 - 100% Domestic Debt, Money Market instruments (including CBLO & reverse repo) and units of domestic mutual funds. : 0 - 20% * Currently HSBCGEM Equity Fund is envisaged to be used for investing in the emerging markets however, HEMF could use any other global fund of HSBC Group to invest in emerging markets.	Equities and equity related Securities : 80 - 100% Debt, Money Market instruments and Cash : 0 - 20% Lock-in Period : The investment shall be locked in for a period of 3 years from the date of allotment.
Risk Profile	Mutual Fund investments are subject to market risks. Please read the Offer Document carefully for details on Risk Factors before investment.		
Plan / Options	Dividend (Reinvestment / Payout) & Growth Option	Dividend (Payout / Reinvestment) and Growth	Growth & Dividend
Sub-Options	Dividend Payout & Dividend Reinvestment Option	Dividend Payout & Dividend Reinvestment Option	Dividend Payout Option
Dividend Frequency	Declaration of dividend and its frequency will inter alia depend upon the distributable surplus. Dividend may be declared from time to time at the discretion of the Trustees.		

Features	HSBC DYNAMIC FUND	HSBC EMERGING MARKETS FUND	HSBC TAX SAVER EQUITY FUND																											
Minimum Application Amount	Purchase : Rs. 10,000/- Additional Purchase : Rs. 1,000/- and multiples of Re. 1/- thereafter Repurchase : Rs. 1,000/- and multiples of Re. 1/- thereafter	Purchase : Rs. 10,000/- Additional Purchase : Rs. 1,000/- and multiples of Re. 1/- thereafter Repurchase : Rs. 1,000/- and multiples of Re. 1/- thereafter	Purchase : Rs. 500/- Additional Purchase : In multiples of Rs. 500/- thereafter. Repurchase : Rs. 500/- and multiples of Re. 1/- thereof.																											
SIP	3rd, 10th, 17th or 26th of the month in Monthly / 10th of the relevant month in Quarterly (The subsequent installments of SIP's in case of HEMF will be stopped from the month in which the subscriptions exceed the maximum permissible limit)																													
SEP	Monthly/Quarterly. NAV as on first Business Day of each month.																													
Mode of Holding	Single, Joint or Anyone or Survivor																													
Nomination Facility	Available to individuals for single / joint holding (Multiple nomination facility available to the maximum of three nominees for a folio. Please use the nomination form)																													
Load Structure (including SIP/STP where applicable) #	Entry Load : 2.50% for investments / Switchin below Rs. 5 crores, otherwise Nil. Exit Load : 1% for investments below Rs. 5 crores, if redeemed / switched out within 1 year from date of investment, otherwise Nil.	Entry Load : 2.50% for investments / Switch in* below Rs. 5 crores, otherwise Nil. Exit Load : 1% for investments below Rs. 5 crores, if redeemed / switched out within 1 year from date of investment, otherwise Nil	Entry Load : For investments / Switch in* below Rs. 1 Crores - 2.25% *, otherwise Nil Exit Load : Nil																											
	No entry load shall be charged for direct applications received by the Asset Management Company (AMC) i.e. applications received through internet, submitted to AMC or collection centre/ Investor Service Centre that are not routed through any distributor/agent/broker. Please refer "Load Structure" under Common Features of all Schemes.																													
Applicable NAV for ongoing Subscriptions and Redemptions (including switch ins / switch outs)	<ul style="list-style-type: none"> In respect of valid subscription (including switch ins) and redemption (including switch outs) requests received upto 3 p.m. by the Mutual Fund, the closing NAV of the day on which the request is received shall be applicable. In respect of valid subscription (including switch ins) and redemption (including switch outs) requests received after 3 p.m. by the Mutual Fund, the closing NAV of the next Business Day shall be applicable. Explanation: "Business Day" does not include a day on which the money markets are closed or otherwise not accessible. The Mutual Fund shall calculate NAV for each calendar day in respect of the above Scheme(s) / Plan(s).																													
Despatch of Redemption Request	Within 10 working days of the receipt of the redemption request at the Official Points of Acceptance of Transactions of the Registrar and the AMC.																													
	The Fund would endeavour to effect redemption payouts (net of applicable taxes) within 3 Business Days under normal circumstances.	The Fund would endeavour to effect redemption payouts (net of applicable taxes) within 7 Business Days under normal circumstances.	The Fund would endeavour to effect redemption payouts (net of applicable taxes) within 3 Business Days under normal circumstances.																											
Name of the Fund Manager	Jitendra Sriram (for equity portion) and Suyash Choudhary (for fixed income portion)	Niren Parekh	Nilang Mehta & Aditya Khemani																											
	Niren Parekh will be the dedicated Fund Manager for making overseas investments as permitted under the Regulations, guidelines and circulars issued from time to time.																													
Benchmark Index	BSE 200	MSCI Emerging Market Index	BSE 200																											
Performance of the Scheme*	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-43.88%</td> <td>-53.17%</td> </tr> <tr> <td>Since Inception</td> <td>-29.12%</td> <td>-37.89%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-43.88%	-53.17%	Since Inception	-29.12%	-37.89%	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-44.68%^^</td> <td>-40.80%^</td> </tr> <tr> <td>Since Inception</td> <td>-44.68%^^</td> <td>-40.80%^</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-44.68%^^	-40.80%^	Since Inception	-44.68%^^	-40.80%^	<table border="1"> <thead> <tr> <th></th> <th>Scheme Returns</th> <th>Benchmark Returns</th> </tr> </thead> <tbody> <tr> <td>Last 1 year</td> <td>-42.67%</td> <td>-53.17%</td> </tr> <tr> <td>Since Inception</td> <td>-15.33%</td> <td>-19.33%</td> </tr> </tbody> </table>		Scheme Returns	Benchmark Returns	Last 1 year	-42.67%	-53.17%	Since Inception	-15.33%	-19.33%
	Scheme Returns	Benchmark Returns																												
Last 1 year	-43.88%	-53.17%																												
Since Inception	-29.12%	-37.89%																												
	Scheme Returns	Benchmark Returns																												
Last 1 year	-44.68%^^	-40.80%^																												
Since Inception	-44.68%^^	-40.80%^																												
	Scheme Returns	Benchmark Returns																												
Last 1 year	-42.67%	-53.17%																												
Since Inception	-15.33%	-19.33%																												
Compounded Annualised Returns ^ (As on 27 February, 2009)																														
	*Past performance may or may not be sustained in the future. ^ Returns for 1 year & above are Compounded Annualised; return below 1 year are absolute. Calculations are based on Growth Option NAVs.																													
Recurring Expenses	Actual Expenses for the previous financial year ended March 31, 2008																													
	Total Expenses : 60,112,160.99 % to Net Assets : 2.39	Total Expenses : 356,988.96 % to Net Assets : 0.85	Total Expenses : 56,479,127.90 % to Net Assets : 2.35																											
	● First Rs. 100 crores : 2.50 ● Next Rs. 300 crores : 2.25 ● Next Rs. 300 crores : 2.00 ● Balance : 1.75																													

COMMON FEATURES FOR ALL SCHEMES

Board of Trustees (The Trustees) of HSBC Mutual Fund

The Sponsor has appointed a Board of Individual Trustees (the Trustees) to be the Trustees of HSBC Mutual Fund.

Presently Mr. N. P. Gidwani, Mr. Rudolf Apenbrink, Mr. Nasser Munjee, Mr. Mehli Mantri, Mr. Dilip J. Thakkar and Mr. Manu Tandon are the Trustees of HSBC Mutual Fund.

Daily Net Asset Value (NAV) Publication

The NAV will be declared on all Business Days and will be published in two newspapers. For **HSBC Small Cap Fund** : The NAV will be declared at least once a week and i.e., every Wednesday and daily during the period of redemption. The NAV shall be published on a weekly basis in two newspapers.

The NAVs can also be viewed on www.assetmanagement.hsbc.com/in and www.amfiindia.com (You can also telephone us at 022-6668819)

For Investor Grievances please contact

Registrar : Computer Age Management Services Private Ltd. (CAMS) Spencer Plaza, Phase II, S49A, 172, Anna Salai, Chennai 600 002.

Mutual Fund : Ms. Lata Krishnamohan / Mr. Vivek Kamat
HSBC Asset Management (India) Private Limited, 314, D. N. Road, Fort, Mumbai 400 011. Tel.: 66688819. Fax : 40029600. E-mail : hsbcmf@hsbc.co.in

Unitholders' Information

Account Statement (on each transaction) and Annual Financial Results shall be provided to investors by post or by such other means as permitted from time to time. Half Yearly Results and Portfolio disclosure shall be provided to investors by post/ published in certain Newspapers in line with the requirements of the SEBI (Mutual Funds) Regulations, 1996.

Important Information for Ongoing Subscriptions

HSBC Midcap Equity Fund : The Trustees / AMC reserve the right to temporarily suspend subscriptions, switchins into the Scheme, if the assets under management of the Scheme exceeds Rs. 700 crores. However, as it may not be possible to ensure that the assets under management does not exceed Rs. 700 crores at the point of time of subscription, any excess amounts collected in the Scheme would be retained until the suspension of subscriptions, switchins into the Scheme takes effect. The suspension will be for a minimum period of 1 month or until the assets under management fall below Rs. 700 crores, due to redemptions, market forces or for any other reason, whichever is later. The suspension will not however affect Dividend reinvestment options, Systematic Investment Plans, Systematic Transfer Plans or other standing instructions which have been entered into by the investors at any time prior to the date from which the suspension takes effect. The Trustees / AMC also reserve the right to review the amount, frequency and methodology by which the suspension of further sale of units will be enforced. All decisions of the Trustees / AMC will take effect prospectively and be communicated to the investors from time to time by arranging to display a notice in the Investor Service Centres and issuing advertisements in 2 newspapers, at least 1 day prior to the decision taking effect. All decisions of the Trustees / AMC will be made in the interest of the investors and will be subject to the SEBI Regulations.

HSBC Small Cap Fund : The scheme will not be open for ongoing subscriptions / switch ins. However, units can be redeemed / switched out on a monthly basis on the stipulated date(s) as mentioned below at NAV based prices, subject to provisions of exit load, if any and recovery of balance proportionate unamortized NFO expenses.

Stipulated Date(s) for Redemption:

Maturity Date : 3 Years from the date of allotment
Stipulated Date(s) : At the end of every month, as given below
for Redemption Date : Last 3 Business Days of every month.

Who can apply

The following persons are eligible and may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of mutual funds being permitted and duly authorised under their respective constitutions, charter documents, corporate or other authorisations and relevant statutory provisions) etc:

- Indian resident adult individuals either singly or jointly.
- *Karta of Hindu Undivided Family (HUF).
- *Minor through parent / lawful guardian.
- Companies, bodies corporate, public sector undertakings, association of persons (AoPs)*, bodies of individuals (BoIs)*, societies registered under the Societies Registration Act, 1860, Mutual Fund Schemes (ISO long as the purchase of units is permitted under the respective constitutions).
- Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds.
- Partnership Firms.
- Banks (including Co-operative Banks and Regional Rural Banks) & Financial Institutions.
- Non-resident Indians (NRIs) /

Persons of Indian Origin on full repatriation basis (subject to RBI approval, if required) or on non-repatriation basis. ● Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if required). ● Army, Air Force, Navy and other para-military funds and eligible institutions. ● Scientific and Industrial Research Organisations. ● Provident / Pension / Gratuity and such other Funds as and when permitted to invest. ● International Multilateral Agencies approved by the Government of India / RBI. ● Other Schemes of HSBC Mutual Fund subject to the conditions and limits prescribed in SEBI Regulations. ● Trustees, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws), may subscribe to the Units under the Scheme. ● There is no restriction on a foreign national from acquiring Indian securities provided such foreign national meets the residency tests laid down by Foreign Exchange Management Act, 1999. ● Sale proceeds of securities acquired by a foreign national may be remitted by him outside India without approval of RBI if: (a) sale proceeds are remitted by a foreign national on his retirement from an employment in India and (b) such proceeds are not in excess of US \$ 1 million in any calendar year. If either (a) and (b) above is not met, approval of RBI will be necessary for the remittance. These requirements originate from the FEMA Remittance of Assets Regulations, 2000 which restrict a person, whether resident in India or not, from making a remittance of any asset ("remittance of asset" includes remittance outside India of funds representing, amongst others, sale proceeds of shares/securities) held by him or by any other person except with the approval of RBI or in certain specific cases listed in Regulation 4. One such case is the remittance of upto US \$ 1 million by a foreign national on his retiring from employment in India.

NOTE - Subscriptions from residents in the United States of America and Canada shall not be accepted by the Schemes of HSBC Mutual Fund.

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.

NOTE : "above denotes that these investors are further eligible for tax benefits under Section 80C of the Income-tax Act, 1961 with respect to investments made in HSBC Tax Saver Equity Fund. Please refer to CBDT notification no 226 / 2005 dated 3 November, 2005 for further details.

Load Structure

HEF - Load Structure for switch operations : Entry Load from the Schemes (other than HCF) to HEF (including SIP/ STP and switch transactions) - 2.25% for switch ins* < Rs 5 crores, otherwise Nil. Entry Load for STP from HCF to HEF (for existing and prospective STP transactions) - 2.25% for switch ins* < Rs 5 crores, otherwise Nil. Entry Load for switch transactions from HCF to HEF (excludes STP) - Nil. Exit Load for Schemes (other than HCF) to HEF (including SIP/ STP and switch transactions) and STP from HCF to HEF (for existing and prospective STP transactions) switch transactions from HEF to any debt or equity scheme - 1% for < Rs. 5 crores, if redeemed/ switched out* within 1 year from date of investment, otherwise Nil. Exit Load for switch transactions from HCF to HEF (excludes STP) switch transactions from HEF to any debt or equity scheme - 2.25% for < Rs. 5 crores, if above switch investments are redeemed/ switched out to any other equity/ debt schemes of HSBC Mutual Fund within 1 year from the date of switch, otherwise Nil.

- * No load in case of switches between equity Schemes of HSBC Mutual Fund.
- # No load in case of investments by Fund-of-Funds (except HDF, HEMF & HSCF).
- ~ Subject to conditions. Please refer relevant Offer Documents for further details on key features.

§ The Trustees, AMC reserve the right to modify/alter the dividend frequency. The entry / exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively.

+ The requirement of minimum subscription amount will not be applicable in case of SIP for scheme(s) where SIP facility is available. Refer offer document(s)/Addendums thereto for further details.

No entry load shall be charged in case of direct applications received by the AMC i.e. application received through internet, submitted to AMC or Collection Centre/ Investor Service Centre and are not routed through any distributor/ agent/ broker. It shall also be applicable in case of switch-in to the Scheme from other Schemes if such a transaction is done directly by the investor. Investors are required to note that where the application is routed through a distributor/agent/broker, they shall mention the broker code on the application form or transaction slip, as the case may be, and where the application is not so routed, they shall mark the field for distributor/agent/broker code as "Direct". In other words, investors shall ensure that the field for broker code is not left blank; if the field is left blank, the application will be treated as "Direct". Investors, who intend to invest directly by using an application form/transaction slip with a pre-printed distributor/agent/ broker code, shall either strike off the code or replace the code with "Direct", so that in both the cases their application is treated as "Direct". Further, no entry / exit load shall be

charged for units allotted under bonus / dividend reinvestment option and also for redemptions made by the existing unitholders. The entry / exit load set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively.

Tax Benefits of Investing in the Mutual Fund

As per the taxation laws in force as amended by the Finance Act, 2008, ("the Act") tax benefits that are available to the investors investing in the Units of the Schemes are stated herein below. The information so stated is based on the Mutual Fund's understanding of such tax laws in force as of the date of this Document, which have been vetted by the tax consultants.

The following information is provided for only general information purposes. In view of the individual nature of tax benefits, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

The following benefits may accrue to the Unitholders with effect from the financial year commencing from April 1, 2008 (unless otherwise stated):

A. INCOME TAX

1. EXEMPTION U/S. 10(35):

Under the provisions of Section 10(35) of the Act income received in respect of the units of a mutual fund specified u/s. 10(23D) will be exempt from income tax in the hands of all unitholders. In view of this position, no tax needs to be deducted at source from such distribution by the fund. However, by virtue of the proviso to section 10(35), this exemption does not apply to income arising on "transfer" of units of a mutual fund.

2. LONG TERM CAPITAL GAINS

i. **On units of equity oriented funds:** Section 10(3B) exempts long term capital gains arising from the transfer of units of an equity oriented fund provided the transaction of sale is entered into on or after the date on which the securities transaction tax is made applicable and such transaction is chargeable to the securities transaction tax.

However such long term capital gains arising to a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

ii. On units of funds other than the equity oriented funds:

● **For individuals and Hindu Undivided Families ("HUF"s):** Long-term capital gains in respect of units held for a period of more than 12 months will be chargeable u/s. 112 at the rate of 20% (plus surcharge), as applicable. Capital gains would be computed after reducing the aggregate cost of acquisition (as adjusted by cost inflation index notified by the Central Government) and expenditure incurred wholly and exclusively in connection with transfer.

An assessee will have an option to apply concessional rate of tax of 10% (plus surcharge) provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

Further, in the case of Individuals and HUFs, being resident, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to income tax at 20% (plus surcharge) or 10% (plus surcharge) as the case may be.

● **For Partnership firms, Indian Companies and other residents:** Long term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge) or 10% (plus surcharge) as the case may be.

● **For non-residents and foreign companies:** Long-term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge). However, no benefit of Cost Inflation Indexation is available.

● **For Non-resident Indians:** Under section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of Units is chargeable at the rate of 10% (plus surcharge). However, no benefit of Cost Inflation Indexation is available. Non-resident Indians may opt for computation of long-term capital gains as per section 112, if it is more beneficial.

For Overseas Financial Organizations, including Overseas Corporate Bodies fulfilling conditions laid down under section 115AB (Offshore Funds)

Under section 115AB of the Act, long term capital gains in respect of units held for a period of more than 12 months will be chargeable at the rate of 10% (plus surcharge). Such gains would be calculated without indexation of cost of acquisition.

● **For Foreign Institutional Investors ("FIIs"):** Under section 115AD of the Act, long term capital gains in respect of units held for more than 12 months would be taxed at the

rate of 10% plus surcharge. Such gains would be calculated without indexation of cost of acquisition.

Tax on long term capital gains in all the above cases will be further increased by the Education Cess ("EC") calculated @ 2% on tax plus surcharge and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge as per the FB.

3. SHORT TERM CAPITAL GAINS

i. On units of equity oriented funds: Section 111A provides that the short term capital gains arising from the transfer of units of an equity oriented fund will be taxed at 15% (plus applicable surcharge) provided the transaction of sale is entered into on or after the date on which the securities transaction tax is made applicable and such transaction is chargeable to the securities transaction tax.

ii. On units of funds other than equity oriented funds: Short Term Capital Gains in respect of Units held for a period of not more than 12 months is added to the total income. Total income including short-term capital gains is chargeable to tax as per the relevant slab rates. The maximum tax rates applicable to different categories of assessee are as follows:

Resident Individuals and HUF	30% plus surcharge, as applicable.
Partnership Firms	30% plus surcharge
Indian companies	30% plus surcharge
Non Resident Indians	30% plus surcharge
Foreign Companies	40% plus surcharge
Overseas Financial Organisations	30% plus surcharge
FIs	30% plus surcharge

Tax on short term capital gains in all the above cases will be further increased by the EC calculated @ 2% on tax plus surcharge and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge as per the FB.

4. CAPITAL LOSS

- Section 94(7) disallows any capital loss, arising to a unitholder if he acquires units of a mutual fund within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers such units within a period of nine months from such record date, to the extent of dividend or income received or receivable on such units.

- Section 94(8) provides that if a person buys or acquires units ("the original units") of a mutual fund and sells the original units within nine months from the date of allotment of bonus units then the loss arising on such sale or transfer shall be ignored. Further, such loss shall be deemed to be the cost of acquisition or purchase of the bonus units.

5. TAX DEDUCTION AT SOURCE ON CAPITAL GAINS

(i) No tax is required to be deducted at source on capital gains arising to any resident unit holder.

(ii) Under section 195 of Act, tax shall be deducted at source in respect of capital gains as under:

- In case of a non-resident other than a company -
 - Long term capital gains on units of equity oriented funds nil
 - Long term capital gains on units of funds other than equity oriented funds 20% plus surcharge
- Short term capital gains on units of equity oriented funds 15% plus surcharge
- Short term capital gains on units of funds other than equity oriented funds 30% plus surcharge
- In case of a foreign company -
 - Long term capital gains on units of equity oriented funds nil
 - Long term capital gains on units of funds other than equity oriented funds 20% plus surcharge
 - Short term capital gains on units of equity oriented funds 15% plus surcharge
 - Short term capital gains on units of funds other than equity oriented funds 40% plus surcharge

Tax Deducted At Source on short term and long term capital gains in all the above cases will be further increased by the EC calculated @ 2% on tax plus surcharge and Secondary and Higher Secondary Cess calculated @ 1% on tax plus surcharge as per the FB.

(iii) Under section 196B of the Act tax at 10% plus surcharge and EC calculated @ 2% on tax plus surcharge as per the FB shall be deducted at source from long term capital gains on units other than the units of equity-oriented mutual funds earned by Overseas Financial Organisation.

(iv) Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of securities referred to in Section 115AD of the Act.

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

In order for the unitholder to obtain the benefit of a lower rate under the DTAA, the unitholder would be required to provide the fund with a certificate obtained from his Assessing Officer stating his eligibility for the lower rate.

6. INVESTMENTS BY CHARITABLE AND RELIGIOUS TRUSTS

Units of Mutual Fund Schemes referred to in clause 23D of section 10 of the Act constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax Act, 1961.

B. WEALTH TAX

Units held under the Schemes of Mutual Fund are not treated as assets within the meaning of section 2(a) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

C. GIFT TAX

If units of Mutual Fund Scheme are gifted, no gift tax shall be payable either by the donor or the donee as the Gift Tax has been abolished.

Notes: (i) All tax benefits will be available to the Sole Unitholder or the first named holder in case the Units are held in the names of more than one person, as the case may be. (ii) HSBC AMC also confirms that the Income Tax/Wealth Tax/Capital Gains Tax and Investment by NRIs/FIIs/OFCs are subject to relevant requirements under the Income Tax, FEMA and RBI Directions. (iii) As per Section 54ED capital gains arising before April 1, 2006 from a transfer of a long term capital asset being listed securities or units of UTI/mutual funds, shall be exempt from tax, if such capital gains are invested in equity shares by way of a public issue. The section provides for a lock-in period of one year and if the newly acquired shares are sold or transferred during the period, the capital gains earlier claimed exempt, would become taxable in the year of sale of the newly acquired shares. (iv) With effect from June 1, 2006 an investor who sells units of an equity oriented fund to the mutual fund will have to pay 0.25% of the sale price of the units as securities transaction tax which tax would be collected by the prescribed person in case of every mutual fund. (v) The FA has introduced section 36(1)(xv) which will grant a deduction in respect of the securities transaction tax paid by a person if the income arising from sale of units of equity oriented funds is chargeable under the head "Profits and gains of business or profession". (vi) Section 80C provides that an individual or HUF shall get a deduction, in respect of a contribution to any units of any Mutual Funds notified under clause 10(23D) of section 10 or from the Administrator or the specified company under any plan formulated in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf and in respect of any contribution by an individual to any pension fund set up by the Mutual Fund notified under clause (23D) of section 10 or by the Administrator or the specified company, as the Central Government may, by notification in the Official Gazette, specify in this behalf, out of his income chargeable to tax provided the aggregate sum does not exceed one lakh rupees. (vii) In terms of Section 115R of the Act, as amended from time to time, applicable dividend distribution tax (DDT) will be applied at the time of dividend distribution in eligible schemes. Investors may please note that distribution tax shall be paid by the scheme at the rates applicable to an income scheme (under the Income-tax Act), as this scheme is classified as an income scheme under the SEBI Regulations. In case the scheme has to bear higher distribution tax as applicable to liquid funds, the additional distribution tax shall be paid by the scheme / recovered from the investors.

Notwithstanding anything contained in the Scheme Information Document and Key Information Memorandum of the Scheme(s) the provisions of SEBI (Mutual Funds) Regulations, 1996 and Guidelines thereunder shall be applicable. Investors can also obtain further changes after the date of this Key Information Memorandum from the Mutual Fund / Investor Service Centres or distributors.

OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTION REQUESTS

HSBC MUTUAL FUND : Ahmedabad : Tel : 98983 77319. Bengaluru : Tel : 080 - 4118 6519. Chandigarh : Tel : 0172 - 500 8119. Chennai : Tel : 044 - 4200 8719. Coimbatore : Tel : 98944 77319. Hyderabad : Tel : 040 - 6667 4719. Indore : Tel : 98934 77319. Kochi : Tel : 98954 77319. Kolkata : Tel : 033 - 2213 9919. Lucknow : Tel : 99367 97319. Mumbai : Tel : 022 - 6666 8819. New Delhi : Tel : 011 - 4149 0719. Pune : Tel : 020 - 2600 1119. Vadodara : Tel : 98983 77319

CAMS (Investor Service Centres) : Ahmedabad ● Bangalore ● Bhubaneswar ● Coimbatore ● Cochin ● Chandigarh ● Chennai ● Durgapur ● Goa ● Hyderabad ● Indore ● Jaipur ● Kanpur ● Kolkata ● Lucknow ● Ludhiana ● Mangalore ● Mumbai ● Madurai ● Nagpur ● New Delhi ● Pune ● Patna ● Surat ● Vadodara ● Visakhapatnam ● Vijayawada

CAMS (Transaction Points) : Agra ● Agartala ● Ahmednagar ● Ajmer ● Akola ● Allahabad ● Aligarh ● Alwar ● Amaravati ● Ambala ● Amritsar ● Anand ● Angul ● Ankleshwar ● Ananthpur ● Asansol ● Aurangabad ● Bagalkot ● Balasore ● Bareilly ● Belgaum ● Berhampur ● Bhagalpur ● Bhatinda ● Bhavnagar ● Bhiwara ● Bhilai ● Bhopal ● Bhub ● Bikaner ● Bilaspur ● Bokaro ● Burdwan ● Calicut ● Cuttack ● Davengere ● Dehradun ● Deoghar ● Dhanbad ● Dhule ● Erode ● Faridabad ● Ghaziabad ● Gorakhpur ● Gulbarga ● Guntur ● Gurgaon ● Guwahati ● Gwalior ● Hazaribagh ● Himatnagar ● Hissar ● Hosur ● Hubli ● Itarsi ● Jabalpur ● Jalandhar ● Jalgaon ● Jamnagar ● Jamshedpur ● Jammu ● Jhansi ● Jodhpur ● Junagadh ● Kadapa ● Kalyani ● Kakinada ● Kannur ● Karimnagar ● Karur ● Kestopur ● Kolhapur ● Kollam ● Kota ● Kottayam ● Kurnool ● Latur ● Malda ● Manipal ● Margao ● Mathura ● Meerut ● Mehsana ● Moga ● Moradabad ● Muzaffarpur ● Mysore ● Namakkal ● Nasik ● Navsari ● Nellore ● Palakkad ● Palanpur ● Panipat ● Patiala ● Pondicherry ● Porbander ● Raichur ● Raipur ● Rajahmundry ● Rajkot ● Ranchi ● Ratlam ● Ratnagiri ● Rohtak ● Rourkela ● Sagar ● Salem ● Sambalpur ● Satna ● Satara ● Shimla ● Shimoga ● Siliguri ● Solapur ● Sri Ganganagar ● Surendranagar ● Tirunelveli ● Tirupathi ● Tiruppur ● Trichur ● Trichy ● Trivandrum ● Udaipur ● Valsad ● Vapi ● Varanasi ● Vashi ● Vellore ● Warangal ● Yamuna Nagar

CAMS (Collection Centres) : Bharuch ● Bhusawal ● Howrah ● Jaina ● Kamal ● Kolkata ● Mapusa ● Mumbai ● Nandaid ● Sangli ● Unjha

For more details on CAMS Locations please contact : 1-800-200-2267

All changes to the above 'Official Points' shall be communicated by the Fund from time to time. Please check our website www.assetmanagement.hsbc.com/in for an updated list of Official Points of Acceptance.

HSBC Asset Management (India) Private Limited

Regd. Office : 314, D. N. Road, Fort, Mumbai 400 001 Tel. : 022-6666 8819 Fax : 022-4002 9600 Email : hsbcmf@hsbc.co.in Website : www.assetmanagement.hsbc.com/in

3 BANK ACCOUNT DETAILS (MANDATORY as per SEBI Guidelines)

My / Our bank details are the same as mentioned in point 1 of the Auto Debit Form. Yes No. If no, please provide the following details

A/c. No. A/c. Type Current Savings NRO* NRE* * For NRI Investors

Bank Name

Branch Address City

MICR Code RTGS IFSC Code NEFT IFSC Code

▲ (9 digit number next to your Cheque No.)

Please also provide a cancelled cheque leaf of the same bank account as mentioned above. Mentioning your RTGS IFSC Code or NEFT IFSC Code, as applicable, will help us transfer the amount to your bank account quicker, electronically.

4 INVESTMENT DETAILS (Please Scheme / Plan / Option and then choose Option A, B or C below) (Please use separate forms for Options A, B and C below)

Scheme HEF HIOF HAIF HMEF HTSF HDF Plan / Option Growth Dividend Reinvestment Dividend Payout

(A) MONTHLY SIP : SIP Date 3rd 10th 17th 26th All Dates Period of enrolment 36 months 48 months 60 months
Amount (Rs. Figures) (minimum instalment amount is Rs. 2000)

The first SIP instalment cheque should be dated the date of submission of the Application Form. Auto-Debit instructions will apply for subsequent instalments beginning with the nearest SIP Date at least 25 business days after the first SIP Date. Please note that the first SIP instalment cheque and Auto-Debit instruction should be for the same amount. Any SIP into equity scheme listed under † is eligible for insurance cover (Insurance cover per SIP is = instalment amount x tenure). Maximum total insurance cover per investor is Rs. 10,00,000.

(B) STP : From Scheme HIF HGF HMIP HFRF HCF HLPF HFDF
STP Date 3rd 10th 17th 26th All Dates Period of enrolment 36 months 48 months 60 months
Amount (Rs. Figures) (minimum instalment amount is Rs. 2000)

Any STP into equity scheme listed under † is eligible for insurance cover (Insurance cover per STP is = instalment amount x tenure). Maximum total insurance cover per investor is Rs. 10,00,000.

(C) LUMP SUM INVESTMENT : Scheme **HSBC TAX SAVER EQUITY FUND** Amount (Rs. Figures) (Min. investment amount Rs. 10,000)

Only minimum investment of Rs.10,000 in HSBC Tax Saver Equity Fund qualifies for insurance cover (Insurance cover = amount invested). Please use the normal form for investment of lesser denomination.

5 PAYMENT MECHANISM (any one only)

(A) Cheques (Please provide the details) Total No. of Cheques Cheque Nos. From To
Drawn on Bank
Branch City
A/C No. A/c. Type Current Savings NRO* NRE* * For NRI Investors

(B) ECS (Debit Clearing) / Direct Debit Facility (Please complete the SIP Auto Debit Form if you have ticked Option B)
First instalment has to be through cheque / DD. Bank
Cheque / DD No. Branch

With respect to the cheque for the 1st instalment, the details of the bank account provided above pertain to my / our own bank account in my / our name Yes No. If No, my relationship with the bank account holder is Spouse Child Parent Relative Sibling Friend Others. Application Form without this information is liable to be rejected.

6 NOMINATION DETAILS (To be filled in by Individual(s) applying singly or jointly) (ref. important instruction 8)

I/We and (strike out which is not applicable)

do hereby nominate the undermentioned nominee(s) to receive the units allotted to my / our credit in my Folio in the event of my / our death.

Name and Address of Nominee(s) / Guardian (in case Nominee is a Minor)

	First Nominee	Second Nominee	Third Nominee
Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
Address	<input type="text"/>	<input type="text"/>	<input type="text"/>
Allocation %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth (in case nominee is a minor)	<input type="text"/>	<input type="text"/>	<input type="text"/>

7 DECLARATION AND SIGNATURES

The Trustees, HSBC Mutual Fund
Having read and understood the contents of the Scheme Information Document and Addenda of the Scheme(s) issued till date, I / We hereby apply to the Trustees of HSBC Mutual Fund for units of the Scheme / Plan / Option as indicated above and agree to abide by the terms, conditions, rules and regulations of the Scheme. I / We have understood the details of the Scheme and I / We have not received nor been induced by any rebate or gifts, directly or indirectly, in making this investment. I / We hereby authorise HSBC Mutual Fund, its Investment Manager and its Agents to disclose details of my / our investment to my/our bank(s) HSBC Mutual Fund Bank(s) and / or Distributor / Broker / Investment Advisor and to verify my / our bank details provided by me / us. I / We hereby declare that the particulars given above are correct and express my / our willingness to make payments referred above through participation in ECS / Direct Debit Facility. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I / We would not hold HSBC Asset Management (India) Pvt. Ltd. (Investment Manager to HSBC Mutual Fund), their appointed service providers or representatives responsible. I / We will also inform HSBC Asset Management (India) Pvt. Ltd., about any changes in my / our bank account. I / We have read and agreed to the terms and conditions for ECS / Direct Debit.

*I/We confirm that I am/we are Non-Residents of Indian Nationality/ Origin and that the funds are remitted from abroad through approved banking channels or from my / our NRE / NRO / FCNR Account. I / We confirm that the details provided by me / us are true and correct. I / We hereby declare that the amount being invested by me/us in the Scheme(s) of HSBC Mutual Fund is derived through legitimate sources and is not held or designed for the purpose of contravention of any Act, Rules, Regulations or any statute or legislation or any other applicable laws or any Notifications, Directions issued by any governmental or statutory authority from time to time. *Applicable to NRI

INSURANCE DECLARATION : I understand that no benefit under the policy shall be payable for the above mentioned critical illness or procedure which results due to any pre-existing illness or symptoms. I also understand that if : 1. I have either been diagnosed of or is suffering from or has any symptoms pertaining to 2. Had under gone any of the above mentioned critical illness and procedures, the claim is not payable.
I suffer from the below mentioned disease(s). Date

Applications from investors resident in USA or Canada shall be rejected.
Default options will be applied in cases where the information provided is either ambiguous or has any discrepancy.

ECS / Direct Debit - Terms & Conditions

- ECS facility is offered to the investors having bank accounts in **select cities mentioned below**.
● Agra ● Ahmedabad ● Allahabad ● Amritsar ● Aurangabad ● Bangalore ● Bardhaman ● Baroda ● Bhillwara ● Bhopal ● Bhubaneswar ● Calicut ● Chandigarh ● Chennai ● Cochin ● Coimbatore ● Dehradun ● Delhi ● Durgapur ● Erode ● Gorakhpur ● Guwahati ● Gwalior ● Hubli ● Hyderabad ● Indore ● Jabalpur ● Jaipur ● Jalandhar ● Jammu ● Jamshedpur ● Jodhpur ● Kanpur ● Kolhapur ● Kolkata ● Lucknow ● Ludhiana ● Mangalore ● Mumbai ● Mysore ● Nagpur ● Nellore ● Panjim ● Patna ● Pune ● Raipur ● Rajkot ● Ranchi ● Salem ● Shimla ● Sholapur ● Siliguri ● Surat ● Tirupati ● Trichur ● Trivandrum ● Udaipur ● Varanasi ● Vijayawada ● Vizag
List of Banks / Branches for SIP Direct Debit Facility
- The cities in the list may be modified / updated / changed / removed at any time in future entirely at the discretion of HSBC Mutual Fund without assigning any reason or prior notice.
- If any city is removed, SIP instructions for investors in such cities via ECS (Debit) route will be discontinued without prior notice.
- The bank account provided for ECS (Debit) should participate in local MICR clearing.
- Investor will not hold HSBC Mutual Fund, its registrars and other service providers responsible if the transaction is delayed or not effected or the investor bank account is debited in advance or after the specific SIP date due to various clearing cycles of ECS / Direct Debit Facility.
- HSBC Asset Management (India) Pvt. Ltd., registrars CAMS and other service providers shall not be responsible and liable for any damages / compensation for any loss, damage etc. incurred by the investor. The investor assumes the entire risk of using this facility and takes full responsibility.
- You can choose to discontinue this facility by giving 25 Business Days written notice to our Registrar CAMS.
- HSBC AMC and its service providers reserve the right to disclose the details of the Investors and their transactions using the SIP Auto Debit to third parties for the purposes of verification and execution of the Auto Debit Facility as also for the purpose of law enforcement, fraud prevention, audit and inspection requirement etc.
- The Investor undertakes and agrees that the SIP Auto Debit Facility requested for via this Form is subject to acceptance of the terms and conditions mentioned in Offer Document of the Scheme.
- Please refer Addendum dated September 28, 2007.

Banks	Branches
Axis Bank Limited, Centurian Bank of Punjab, HDFC Bank Ltd., ICICI Bank, IDBI Bank Limited, IndusInd Bank Limited, ING Vysya Bank Ltd. and Kotak Mahindra Bank Limited	All Branches
Bank of Baroda, Bank of India and Punjab National Bank	Select Branches

INSURANCE - TERMS AND CONDITIONS

- Age (Entry Age)- 20 yrs to 50 yrs completed as on last birthday Cover Period - 36 months or 48 months or 60 months only.
- The Insurance Tenure = SIP tenure. The insurance tenure is available in multiples of one year and for a maximum 5 years.
- Minimum HSBC SIP of Rs.2000 for a minimum period of 36 months.
- Cover shall automatically stand cancelled upon occurrence of any of the below events*:
● Instruction to cease the SIP. ● Non-payment of more than 2 consecutive SIPs and 4 Defaults in total.
- Only individuals / Karta of HUF are eligible for the Insurance Cover under the SIP Plus Product.
- Please refer Addendum dated September 28, 2007.
- For further details please visit www.assetmanagement.hsbc.com/in

Important Instructions

- Please refer to the Scheme Information Document and Addendum thereto and the Key Information Memorandum of the respective Scheme(s) carefully before filling the Application Form.
- Please refer the section on "Who can invest?" for a list of eligible investors in the Key Information Memorandum and Offer Document.
- All applicants are deemed to have accepted the terms subject to which this offer is being made and bind themselves to the terms upon signing the Application Form and tendering the payment.
- Applications under Power of Attorney / Body Corporate / Registered Society / Trust / Partnership**
The original Power of Attorney or a duly notarised copy of the Power of Attorney shall be required to be submitted where applications are made under a Power of Attorney.
A company, body corporate, eligible institutions, registered society, trusts, partnership or other eligible non-individuals who apply in the schemes should furnish a certified copy of resolution or authority to make the application as the case may be and a certified copy of the Memorandum and Articles of Association and / or bye-laws and / or Trust Deed and / or Partnership Deed and certificate of registration or any other document as the case may be. In case of a Trust / Fund, it shall submit a certified true copy of the resolution from the Trustee(s) authorising such purchases. The officials should sign the application under their official designation and furnish a list of authorised signatories. All communications and payments shall be made to the First Applicant only.
- PAN Details (PAN Mandatory for all investments)**
As per Securities and Exchange Board of India (SEBI) Circular dated 27 April 2007 and letter dated 25 June 2007, Permanent Account Number (PAN) has been made the sole identification number for all participants investing in the securities market, irrespective of the amount of investment.
With effect from 1 January 2008, for all applicable transactions, investors will need to submit a photocopy of their PAN card, which shall have been either verified with the original or verified/ attested by AMFI registered distributors, bank managers or judicial authorities. The PAN requirements will be applicable to all joint applicants as well as the Guardian, in case of applications by a Minor. As per SEBI circular no. MRD/DoP/MF Cir - 08/2008 dated April 3, 2008 investors residing in the state of Sikkim are exempted from the mandatory requirement of PAN for their investments in Mutual Funds. However, this would be subject to verification of the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence.
Accordingly, submission of Form 49A and/ or declaration in Form 60/61 will not be accepted. Hence, all applicable transactions not accompanied by a duly verified/ attested copy of PAN card are liable to be rejected.
- Know Your Customer (KYC)**
KYC is mandatory under the Prevention of Money Laundering Act, 2002 for all applications for subscriptions of Rs. 50,000 and above. This will be applicable for investments from individual investors including joint holding / institutional customers / other non-institutional investors / investments through power of attorney holders / investments of minor through guardian.
The KYC requirements can be completed by filling up the prescribed form and submitting the same along with the other requisite details / proof (attested true copies of supporting documents relating to proof of identity and address or verification with the original) to a designated Point of Service (PoS) of CDSL Ventures Limited (CVL). Any subsequent change to Address, Pin Code, Country, Nationality, Occupation, Income details, Date of Birth, Proof of Identity need to be communicated to CVL ONLY. For details of the process and list of PoS, please visit our website <http://www.hsbcinvestments.co.in> In case investor

has completed the KYC Compliance process, without submitting a copy of PAN Card, he/she must forthwith provide a copy PAN Card alongwith the copy of KYC compliance acknowledgment to CVL. In view of this, with effect from February 01, 2008 each investor (including joint unit holder) who wishes to invest an amount of Rs.50, 000/- or more need to submit a copy of the acknowledgement of KYC/printout of KYC status (status can be downloaded from CVL website (www.cvlindia.com) using the PAN number) along with the application form for investing in the schemes of Mutual Fund.

7) NRIs, Persons of Indian Origin, FIIs

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "FEMA Regulations") permit a NRI / POI to purchase on repatriation or non-repatriation basis, without limit, units of domestic mutual funds. Payment for such units must be made either by cheque or demand draft by means of: (i) inward remittance through normal banking channels; or (ii) out of funds held in the NRE / FCNR account, in the case of purchases on a repatriation basis or out of funds held in the NRE / FCNR / NRO account, in the case of purchases on a non-repatriation basis.

Investments by NRIs / FIIs shall be in accordance with the prevailing laws governing such investments. Payment by the FII must be made either by inward remittance through normal banking channels or out of funds held in foreign currency account or non resident rupee account maintained by the FII with a designated branch of an authorised dealer in terms of paragraph 2 of Schedule 2 to the FEMA Regulations.

8) Nomination Details

Applicants applying for Units singly / jointly can make the nomination at the time of initial investment.

- The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the units are held jointly, all joint holders will sign the nomination form.
- The investors/Unit holders are requested to note that a maximum of three nominees can be registered for a Folio. In case of multiple nominees, the 'Share / Ratio' of nomination has to be clearly specified in the nomination form/ request letter. If the 'Share / Ratio' of nomination is not explicitly stated, then the nomination shall be treated as 'Equal Share/Ratio'.
- A minor can be nominated and in that event, the name, address and PAN of the Guardian of the minor nominee (in case the minor does not have PAN) shall be provided by the Unit holder.
- The Nominee shall not be a trust, (other than a religious or charitable trust) society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time. Nomination can also be made in favour of the Central Government, State Government, Local Authority, any person designated by virtue of his office or a religious or charitable trust.
- Nomination in respect of the Units stands rescinded upon the transmission of Units.
- Transmission of Units in favour of a Nominee shall be valid discharge by the AMC / Mutual Fund / Trustees against the legal heir.
- The cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination.
- On cancellation of the nomination, the nomination shall stand rescinded and the AMC / Mutual Fund / Trustees shall not be under any obligation to transmit the Units in favour of the Nominee.

Instructions for filling up the Application Form

1. General Information

- The Application Form should be completed in ENGLISH in BLOCK LETTERS only. Please Tick (✓) in the appropriate box (), where boxes have been provided.
- Existing investors of HSBC Mutual Fund who have provided their PAN earlier wanting to make an SIP Plus investment will need to fill up ONLY their Folio Number in Section 1 and then please proceed to fill up the Auto Debit Form and directly move to section 4. However, new investors will be required to fill up the Applicant's Details in Section 2.

2 & 3 Applicant Information

Applicants must provide all the details under Section 2 of the Application Form.

- Name and address must be given in full (P.O. Box Address alone is not sufficient). In case of NRIs / FIIs, 'Overseas Address' should also be provided.
- Please provide the name of the Contact Person in case of investments by a Company / Body Corporate / Partnership Firm / Trust / Society / FIIs / Association of Persons / Body of Individuals.
- Investor has an option to receive communication through email. The investor always has a right to demand a physical copy of any or all the documents in respect of the services provided by the Fund.

4. Bank Account Details

Applicants should provide the name of the bank, branch address, account type and account number of the Sole / First Applicant. As per SEBI guidelines, it is mandatory for investors to mention their bank account details in the Application Form. AMC will endeavour to directly credit redemption / dividend proceeds in customer's bank account wherever possible. Applications without this information will be rejected.

5. Investment Details

- Insurance cover under SIP Plus is only available in HEF, HIOF, HAIF, HMEF, HTSF and HDF. Applicants should indicate the Option / Sub-option (Dividend / Growth) for which the application is made, by indicating the choice in the appropriate box provided for this purpose in the SIP Plus Application Form.
- Investors should use separate Form for Option A, B, and C of Section 4.
- If no indication is given for the investment the default Option (Common to all Schemes) will be as follows :

Indication not made	Default
● Common to all Schemes	
Scheme Name	As indicated on the Cheque
Dividend / Growth Option / Sub-options	Growth Option / Sub-option
Dividend Payout / Reinvestment	Dividend Reinvestment
Mode of holding (in cases where there are more than one applicant)	Joint
Status of First Applicant (Individual, HUF, Company etc.)	Others#

Tax rates (including the tax on dividend distribution) wherever applied on 'others' by HSBC Mutual Fund shall be the same as applicable to a Resident Indian Company

6. Payment Mechanism

Lumpsum Investment

- All cheques and bank drafts must be drawn in the name of the Scheme or its abbreviation as applicable and crossed "Account Payee only". A separate cheque or bank draft must accompany each Application. Kindly note that post dated cheques are not allowed except for Systematic Investment Plan (SIP) Transactions.
- Bank charges for demand drafts will be borne by the AMC and will be limited to the bank charges as per table below. The AMC will not entertain any request for refund of demand draft charges. Outstation cheques / outstation demands draft will not be accepted.

Amount	DD Charges
Upto Rs. 10,000/-	At actuals, subject to a maximum of Rs. 65/-
Above Rs. 10,000/-	At Rs. 3.50/- per Rs. 1,000/-, Minimum Rs. 65/- and Maximum Rs. 12,500/-

SIP Investment

- An investor needs to provide : a) One cheque for the 1st instalment and Auto Debit Form for the remaining instalments OR b) a minimum of 36 cheques.
- The cheque for the first SIP instalment should carry the date of investment. The first instalment of the SIP will be processed subject to applicable NAV & load, if any, on the date of receipt of the application form. The second instalment in case of monthly SIP will be processed on the available SIP date (currently 3rd, 10th, 17th or 26th of every month) indicated by the investor, but immediately following the expiry of 25 Business Days from the date of processing the first SIP. If the choice of date for the second instalment is not indicated by the investor, the second instalment of SIP will be processed on the earliest SIP date (3rd, 10th, 17th or 26th) immediately following the expiry of 25 Business Days from the date of processing the first SIP instalment. If any of above dates fall on a holiday, the transaction will be taken as of the next Business Day. Please refer to the Load Structure of each Scheme for details of applicable loads. Outstation cheques / outstation drafts will not be accepted for first instalment of the SIP.
- Cheque should be drawn in the name of the Scheme or its abbreviation as applicable and crossed "A/c. Payee only".

7. Nomination Details

Investors are encouraged to fill in this important section to enable us to provide these details to ICICI Lombard.

8. Declaration and Signatures

- Signatures can be in English or in any Indian language. Thumb impressions must be attested by a Magistrate / Notary Public under his / her official seal. In case of HUF, the Karta will sign on behalf of the HUF.
- Applications on behalf of minors should be signed by their Guardian. Insurance cover will apply for the Guardian.

HSBC Mutual Fund / AMC, reserves the right to reject any application inter alia in the absence of fulfilment of regulatory requirements, insurance requirements, fulfilment of requirements of the Offer Document and furnishing necessary information to the satisfaction of the Mutual Fund / AMC.

CALL US AT

HSBC MUTUAL FUND INVESTOR SERVICE CENTRES :

Ahmedabad : Tel : 98983 77319 • Bengaluru : Tel : 080 4118 6519 • Chandigarh : Tel : 0172 500 8119 • Chennai : Tel : 044 4200 8719 • Coimbatore : Tel : 98944 77319
Hyderabad : Tel : 040 6667 4719 • Indore : Tel : 98934 77319 • Kochi : Tel : 98954 77319 • Kolkata : Tel : 033 2213 9919 • Lucknow : Tel : 99367 97319
Mumbai : Tel : 022 6666 8819 • New Delhi : Tel : 011 4149 0719 • Pune : Tel : 020 2600 1119 • Vadodara : Tel : 98983 77319

CAMS CENTRES: Tel: 1-800-200-2267

Contact us at hsbcmf@hsbc.co.in

Visit us at www.assetmanagement.hsbc.com/in